(c) and (d) RBI has reported that all the public sector banks are implementing this plan.

Pre-payment of high cost loans

4061. DR. M.N. DAS: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) Whether Government are planning to allow States access to additional market borrowings in 2003-04 to pre-pay high cost loans contracted in thepast with funds raised through fresh loans at a lower interest rate;

(b) if so, whether additional market borrowings would be over and above budgeted market borrowings for States in the ensuing fiscal year;

(c) if so, what is the exact quantum of additional market borrowings that States would be allowed to access in the coming fiscal year; and

(d) What is the total amount to be made available to States to retire high-cost debt?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Yes, Sir.

(c) and (d) In the current year 30% of Net Small Savings, complemented by Additional Market Borrowings would be made available to States to retire high cost debt.

Tax exemption to Doctors and Lawyers

4062. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(b) whether Service Tax has been levied on ten more services in the proposed Budget 2003;

(c) what are the reasons for grant of the exemption to Doctors and Lawyers from the levy of service tax; and

(d) the reasons for not bringing rich farmers under the tax net?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) It has been proposed to extend the levy of service tax to ten more services in the Union Budget for 2003-04.,

(a) Service tax is a relatively new taxation measure, the coverage of which has been expanded gradually over the years. Several services, including those of Doctors and Lawyers, are yet to be covered.

(b) Under entry No. 46 of List II-State List of the Seventh Schedule of the Constitution of India, taxation of agricultural income is a State subject.